



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 1/21/2005

GAIN Report Number: GM5004

Germany

Trade Policy Monitoring

EU needs market oriented and sustainable agriculture says Fischer Boel

2005

Approved by:

Richard Petges
U.S. Embassy, Berlin

Prepared by:

Sabine M Lieberz

Report Highlights:

EU agriculture needs to improve competitiveness on the world market says Fischer Boel at the opening ceremony of International Green Week in Berlin. She considers price support a thing of the past and plans to move forward with changes in the sugar regime.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Berlin [GM1]
[GM]

In her speech at the opening ceremony of International Green Week in Berlin on January 20, 2004, Mariaan Fischer Boel, the EU Commissioner for Agriculture talked mostly about her vision of EU ag policy, with occasional reference to the WTO negotiations.

Fischer Boel stressed that EU agriculture needs to be market oriented and sustainable. In her opinion price support is a thing of the past, and the strength of EU agriculture lies in the quality and safety of its products rather than in sheer price competitiveness. Quality in this respect includes production methods (organic/non-organic), animal welfare and environmental standards as well as origin.

EU Ag policy needs to support market orientation, competitiveness and sustainability. With CAP reform the EU has taken a major step towards these aims and improved the EU standing in international trade negotiations. This advantage has to be secured in the coming WTO negotiations. She aspires to reach an agreement about the modalities before the Hongkong Ministerial in December. Major areas of work in this respect will be market access, export subsidies and the definition of sensitive products.

Rural development also needs to be an important area of Ag policy. Her aim is to increase employment opportunities and alternative incomes by supporting innovation in rural areas. She announced to put out a strategy paper on rural development throughout the course of the year.

In relation to the EU sugar regime she made it clear that support prices will have to be cut drastically and the quota regime has to be simplified. She showed some flexibility on the question of quota transfer between member states and assured the audience that she will consider alternatives. She opposed initiatives to re-negotiate the "everything but arms" agreement (EBA) in order to include developing countries in the quota system. This would send the wrong signal in the WTO negotiations.

In 2002 a maximum budget limit was introduced for market organizations and direct support. Fischer Boel opposed any further cuts as proposed by the group of net-contributors to the EU budget, as the existing limits are already a cut. A renewed discussion about co-financing would also be the wrong route. For rural development, which is not covered under the 2002 agreement, she proposed to merge the existing programs into one single fund in order to simplify the system.